

QUARTERLY REPORT

LICENSEE **Bally's Park Place, Inc. (Bally's Atlantic City)**

FOR THE QUARTER ENDED SEPTEMBER 30, 2001

**TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY**

BALANCE SHEETS

SEPTEMBER 30, 2001 AND 2000

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2001 (c)	2000 (d)
	ASSETS		
	Current Assets:		
1	Cash and cash equivalents.	\$ 26,508	\$ 32,082
2	Short-term investments.	-	-
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 2001, \$ 7,717 ; 2000, \$ 5,139). NOTE 2.	89,458	59,632
4	Inventories.	2,159	2,101
5	Prepaid expenses and other current assets.	3,300	3,519
6	Total current assets.	121,425	97,334
7	Investments, Advances, and Receivables. NOTES 1 and 3.	174,979	123,061
8	Property and Equipment - Gross. NOTES 1 and 4.	1,064,287	1,045,249
9	Less: Accumulated Depreciation/Amortization. ... NOTES 1 and 4. ...	(520,674)	(486,770)
10	Property and Equipment - Net.	543,613	558,479
11	Other Assets.	233	18,948
12	Total Assets.	\$ 840,250	\$ 797,822
	LIABILITIES AND EQUITY		
	Current Liabilities:		
13	Accounts payable.	\$ 4,907	\$ 11,059
14	Notes payable.	-	-
	Current portion of long-term debt.		
15	Due to affiliates.	-	-
16	Other.	58	65
17	Income taxes payable and accrued.	-	-
18	Other accrued expenses. NOTE 5.	27,593	34,830
19	Other current liabilities. NOTE 6.	8,159	7,550
20	Total current liabilities.	40,717	53,504
	Long-Term Debt:		
21	Due to affiliates. NOTE 7.	533,500	500,000
22	Other. NOTE 7.	1,843	1,906
23	Deferred Credits.	-	-
24	Other Liabilities. NOTE 8.	2,080	20,739
25	Commitments And Contingencies. NOTE 1.	-	-
26	Total Liabilities.	578,140	576,149
27	Stockholders', Partners', Or Proprietor's Equity.	262,110	221,673
28	Total Liabilities And Equity.	\$ 840,250	\$ 797,822

The accompanying notes are an integral part of the financial statements.

Valid comparisons cannot be made without using information contained in the notes.

STATEMENTS OF INCOME

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2001 AND 2000

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2001 (c)	2000 (d)
	REVENUE:		
1	Casino	\$ 394,079	\$ 397,116 *
2	Rooms	29,683	29,434 *
3	Food and Beverage	56,325	55,158
4	Other	9,954	9,286 *
5	Total Revenue	490,041	490,994
6	Less: Promotional allowances	53,456	51,382
7	Net Revenue	436,585	439,612
	COSTS AND EXPENSES:		
8	Costs of Goods and Services	222,323	210,898 *
9	Selling, General, and Administrative	76,964	83,862 *
10	Provision for Doubtful Accounts	2,372	1,621
11	Total costs and expenses	301,659	296,381
12	Gross Operating Profit	134,926	143,231
13	Depreciation and amortization NOTE 1...	26,220	27,607
	Charges from affiliates other than interest:		
14	Management fees NOTE 9...	13,114	13,262
15	Other	—	—
16	Income (Loss) from Operations	95,592	102,362
	Other Income (Expenses):		
17	Interest (expense) - affiliates NOTE 7...	(32,766)	(31,534)
18	Interest (expense) - external	(290)	(208)
19	Investment alternative tax and related income (expense) - net	(2,894)	(2,901)
20	Non-operating income (expense) - net NOTE 10...	12,282	13,494
21	Total other income (expenses)	(23,668)	(21,149)
22	Income (Loss) Before Income Taxes and Extraordinary Items	71,924	81,213
23	Provision (credit) for income taxes	25,074	28,368
24	Income (Loss) Before Extraordinary Items	46,850	52,845
25	Extraordinary items (net of income taxes)	—	—
26	Net Income (Loss)	\$ 46,850	\$ 52,845

* Restated to conform to the 2001 presentation.

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2001 AND 2000

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2001 (c)	2000 (d)
	REVENUE:		
1	Casino	\$ 139,929	\$ 143,005 *
2	Rooms	11,599	11,535 *
3	Food and Beverage	19,704	20,017
4	Other	3,949	3,394 *
5	Total Revenue	175,181	177,951
6	Less: Promotional allowances	19,314	19,121
7	Net Revenue	155,867	158,830
	COSTS AND EXPENSES:		
8	Costs of Goods and Services	76,674	73,444 *
9	Selling, General, and Administrative	23,863	27,407 *
10	Provision for Doubtful Accounts	913	591
11	Total costs and expenses	101,450	101,442
12	Gross Operating Profit	54,417	57,388
13	Depreciation and amortization NOTE 1...	8,704	8,743
	Charges from affiliates other than interest:		
14	Management fees NOTE 9...	4,679	4,781
15	Other	—	—
16	Income (Loss) from Operations	41,034	43,864
	Other Income (Expenses):		
17	Interest (expense) - affiliates NOTE 7...	(11,321)	(10,440)
18	Interest (expense) - external	(153)	(69)
19	Investment alternative tax and related income (expense) - net	(952)	(1,001)
20	Non-operating income (expense) - net NOTE 10...	7,600	6,438
21	Total other income (expenses)	(4,826)	(5,072)
22	Income (Loss) Before Income Taxes and Extraordinary Items	36,208	38,792
23	Provision (credit) for income taxes	11,930	13,446
24	Income (Loss) Before Extraordinary Items	24,278	25,346
25	Extraordinary items (net of income taxes)	—	—
26	Net Income (Loss)	\$ 24,278	\$ 25,346

* Restated to conform to the 2001 presentation.

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STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2000 AND THE NINE MONTHS ENDED SEPTEMBER 30, 2001

(UNAUDITED)

(\$ IN THOUSANDS)

Line (a)	Description (b)	Common Stock		Preferred Stock		Additional Paid - In Capital (g)	----- ----- ----- (h)	Retained Earnings (Accumulated Deficit) (i)	Total Stockholder's Equity (Deficit) (j)
		Shares (c)	Amount (d)	Shares (e)	Amount (f)				
1	Balance, December 31, 1999	100	\$ 1			\$ 129,198		\$ 39,629	\$ 168,828
2	Net Income - 2000							56,432	56,432
3	Contribution to Paid - In Capital								
4	Dividends							(10,000)	(10,000)
5	Prior Period Adjustments								
6	Distribution to PPE								
7									
8									
9									
10	Balance, December 31, 2000	100	1			129,198		86,061	215,260
11	Net Income - 2001							46,850	46,850
12	Contribution to Paid - In Capital								
13	Dividends								
14	Prior Period Adjustments								
15	Distribution to PPE								
16									
17									
18									
19	Balance, September 30, 2001	100	\$ 1			\$ 129,198		\$ 132,911	\$ 262,110

The accompanying notes are an integral part of the financial statements.

Valid comparisons cannot be made without using information contained in the notes.

STATEMENT OF CHANGES IN PARTNERS' OR PROPRIETOR'S EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2000 AND THE NINE MONTHS ENDED SEPTEMBER 30, 2001

(UNAUDITED)
(\$ IN THOUSANDS)

NOT APPLICABLE

Line (a)	Description (b)	Contributed Capital (c)	Accumulated Earnings (Deficit) (d)	(e)	Total Equity (Deficit) (f)
1	Balance, December 31, 1999.				
2	Net Income (Loss) - 2000.				
3	Capital Contributions.				
4	Capital Withdrawals.				
5	Partnership Distributions.				
6	Prior Period Adjustments.				
7					
8					
9					
10	Balance, December 31, 2000.				
11	Net Income (Loss) - 2001.				
12	Capital Contributions.				
13	Capital Withdrawals.				
14	Partnership Distributions.				
15	Prior Period Adjustments.				
16					
17					
18					
19	Balance, September 30, 2001. . . .				

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

STATEMENTS OF CASH FLOWS

Page 1 of 2

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2001 AND 2000

(UNAUDITED)
(\$ IN THOUSANDS)

LIN (a)	Description (b)	2001 (c)	2000 (d)
1	Net Cash Provided (Used) By Operating Activities	\$ 48,937	\$ 72,807
	Cash Flows From Investing Activities:		
2	Purchase of short-term investment securities	---	---
3	Proceeds from the sale of short-term investment securities	---	---
4	Purchase outflows for property and equipment	(13,532)	(36,595)
5	Proceeds from disposition of property and equipment	194	70
6	Purchase of casino reinvestment obligations	(5,081)	(6,028)
7	Purchase of other investments and loans/advances made	(33,500)	---
8	Proceeds from disposal of investments and collection of advances and long-term receivables	462	1,179
9	Cash outflows to acquire business entities	---	---
10	---	---
11	Net book values of disposals	---	---
12	Net Cash Provided (Used) By Investing Activities	(51,457)	(41,374)
	Cash Flows From Financing Activities:		
13	Cash proceeds from issuance of short-term debt	---	---
14	Payments to settle short-term debt	---	---
15	Cash proceeds from issuance of long-term debt	33,500	---
16	Costs of issuing debt	---	---
17	Payments to settle long-term debt	(52)	(326)
18	Cash proceeds from issuing stock or capital contributions	---	---
19	Purchases of treasury stock	---	---
20	Payments of dividends or capital withdrawals	---	---
21	Change in payable to/receivable from affiliate	(40,309)	(32,342)
22	---	---
23	Net Cash Provided (Used) By Financing Activities	(6,861)	(32,668)
24	Net Increase (Decrease) In Cash And Cash Equivalents	(9,381)	(1,235)
25	Cash And Cash Equivalents At Beginning Of Period	35,889	33,317
26	Cash And Cash Equivalents At End Of Period	\$ 26,508	\$ 32,082

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	Cash Paid During Period For:		
27	Interest (net of amount capitalized)	\$ 33,056	\$ 31,742
28	Income taxes	\$ 25,074	28,368

The accompanying notes are an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

Page 2 of 2

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2001 AND 2000

(UNAUDITED)
(\$ IN THOUSANDS)

LIN (a)	Description (b)	2001 (c)	2000 (d)
	Net Cash Flows From Operating Activities:		
29	Net income (loss)	\$ 46,850	\$ 52,845
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property and equipment	26,220	27,607
31	Amortization of other assets	---	---
32	Amortization of Debt Discount or Premium	---	---
33	Deferred Income taxes - current	---	---
34	Deferred income taxes - noncurrent	---	---
35	(Gain) loss on disposition of property and equipment	(29)	(62)
36	(Gain) loss on casino reinvestment obligations	2,894	2,901
37	(Gain) loss from other investment activities	(10,606)	(11,833)
38	Net (increase) decrease in receivables and patrons' checks	(8,959)	(9,839)
39	Net (increase) decrease in inventories	(19)	636
40	Net (increase) decrease in other current assets	(497)	(1,146)
41	Net (increase) decrease in other assets	68	(2,127)
42	Net increase (decrease) in accounts payables	(1,638)	5,712
43	Net increase (decrease) in other current liabilities excluding debt	(5,261)	5,414
44	Net increase in other noncurrent liabilities excluding debt	(86)	2,699
45	Loss on extinguishment of debt, net of income tax benefit	---	---
46	Amortization of CRDA assets	---	---
47	Net Cash Provided (Used) By Operating Activities	\$ 48,937	\$ 72,807

SUPPLEMENTAL SCHEDULE OF INVESTING AND FINANCING ACTIVITIES

	Acquisition Of Property And Equipment:		
48	Additions to property and equipment	\$ 13,532	\$ 36,595
49	Less: Capital lease obligations incurred	---	---
50	Cash Outflows For Property And Equipment	\$ 13,532	\$ 36,595
	Acquisition Of Business Entities:		
51	Property and equipment acquired	\$ ---	\$ ---
52	Goodwill acquired	---	---
53	Net assets acquired other than cash, goodwill, and property and equipment	---	---
54	Long-term debt assumed	---	---
55	Issuance of stock or capital invested	---	---
56	Cash Outflows To Acquire Business Entities	\$ ---	\$ ---
	Stock Issued Or Capital Contributions:		
57	Total issuances of stock or capital contributions	\$ ---	\$ ---
58	Less: Issuances to settle long-term debt	---	---
59	Consideration in acquisition of business entities	---	---
60	Cash Proceeds From Issuing Stock Or Capital Contributions	\$ ---	\$ ---

The accompanying notes are an integral part of the financial statements.

Valid comparisons cannot be made without using information contained in the notes.

SCHEDULE OF PROMOTIONAL EXPENSES AND ALLOWANCES

(\$ IN THOUSANDS)

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2001

Line (a)	(b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	148,278	\$ 6,770		\$
2	Food	620,973	7,768		
3	Beverage	2,059,047	4,118		
4	Travel			16,117	1,157
5	Bus Program Cash			237,351	2,651
6	Other Cash Complimentaries			642,123	7,080
7	Entertainment	20,442	433	586	73
8	Retail & Non-Cash Gifts	3,408	149	4,062	144
9	Parking				
10	Other *	2,517	76	45,352	633
11	Total	2,854,665	\$ 19,314	945,591	\$ 11,738

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2001

Line (a)	(b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	414,569	\$ 17,495		\$
2	Food	1,776,451	22,268		
3	Beverage	6,005,870	12,012		
4	Travel			44,537	3,255
5	Bus Program Cash			742,025	10,137
6	Other Cash Complimentaries			1,823,677	24,309
7	Entertainment	52,881	1,040	2,202	275
8	Retail & Non-Cash Gifts	10,401	459	135,518	1,472
9	Parking				
10	Other *	6,051	182	120,470	1,645
11	Total	8,266,223	\$ 53,456	2,868,429	\$ 41,093

* No item in this category exceeds 5%.

BALLY'S PARK PLACE, INC. (Bally's Atlantic City)
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(All dollar amounts in thousands)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and basis of presentation

The accompanying financial statements include the accounts of Bally's Park Place, Inc., a New Jersey corporation (the "Company"), a wholly owned subsidiary of Park Place Entertainment Corporation ("PPE"). The Company owns and operates the casino hotel resort in Atlantic City, New Jersey known as "Bally's Atlantic City", and was formerly known as "Bally's Park Place Casino Resort." The Company operates in one industry segment and all significant revenues arise from its casino and supporting hotel operations. The accompanying financial statements should be read in conjunction with the Company's Casino Control Commission Quarterly Report for the year ended December 31, 2000.

All adjustments have been recorded which are, in the opinion of management, necessary for a fair presentation of the balance sheets of the Company at September 30, 2001 and 2000, and its statements of income for the three and nine months ended September 30, 2001 and 2000 and its statements of cash flows for the nine months ended September 30, 2001 and 2000. All such adjustments were of a normal recurring nature.

Seasonal factors

The Company's operations are subject to seasonal factors and, therefore, the results of operations for the nine months ended September 30, 2001 and 2000 are not necessarily indicative of the results of operations for the full year.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenue and expenses reported during the period. Actual results could differ from such estimates.

Revenue recognition and promotional allowances

Casino revenues represent the net revenue from gaming wins and losses. The revenues from hotel, food and beverage, and from theater ticket sales are recognized at the time the related services are performed. The Statement of Income reflects operating revenues including the retail value of complimentary services (also known as promotional allowances), which are deducted on a separate line to arrive at net revenues. Promotional allowances are provided to casino patrons without charge.

Inventories

Inventories are stated at the lower of cost (weighted average cost method) or market, which approximates replacement cost.

BALLY'S PARK PLACE, INC. (Bally's Atlantic City)
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(All dollar amounts in thousands)

Property and equipment

Depreciation of property and equipment is provided on the straight-line method over the estimated economic lives of the related assets. Depreciation expense was \$8,704 and \$8,743 for the three months ended September 30, 2001 and 2000, respectively, and \$26,220 and \$27,607 for the nine months ended September 30, 2001 and 2000, respectively.

<u>Asset class</u>	<u>Life</u>
Buildings	40 years
Building improvements	3-10 years
Furniture, Fixtures and Equipment	3-10 years

Long-lived assets

The provisions of Statement of Financial Accounting Standard No. 121 "Accounting for the Impairment of Long-Lived Assets," require, among other things, that an entity review its long-lived assets and certain related intangibles for impairment whenever changes in circumstances indicate that the carrying amount of an asset may not be fully recoverable. The Company does not believe that any such changes have occurred.

Fair value of financial instruments

The fair values of the Company's financial instruments including receivables, payables and debt approximate their recorded book values at September 30, 2001 and 2000.

Investments in subsidiaries

The Company has an investment in GNOC, Corp. (which owns and operates the casino hotel resort in Atlantic City known as the "Atlantic City Hilton"). The Company also has investments in six other subsidiaries, Atlantic City Country Club, Inc., Bally's Park Place Realty Co., B.W. Realty, Inc., Bally Warwick, Inc., Bally's Land Ventures, Inc. and Bally's Skyscraper, Inc ("BSI"). On June 1, 2001, BSI purchased the assets and assumed certain liabilities of the Claridge at Park Place, Inc. ("CPPI") and Atlantic City Boardwalk Associates ("ACBA"), and commenced operation of the casino hotel resort in Atlantic City known as the "Claridge." The investments in all subsidiaries are reflected in the accompanying financial statements using the equity method.

Allocations and transactions with related parties

The Company transfers cash in excess of its operating needs to PPE on a daily basis. PPE provides the Company with cash advances for capital expenditures and working capital needs.

Certain executive, administrative and support operations of the Company and other PPE affiliates are

BALLY'S PARK PLACE, INC. (Bally's Atlantic City)
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(All dollar amounts in thousands)

consolidated, including limousine services, legal services, advertising, sales and marketing services, purchasing and certain other administrative departments. Costs of these operations are allocated to or from the Company either directly or using various formulas based on estimates of utilization of such services. Management believes the methods used to allocate these costs are reasonable.

Income taxes

Taxable income or loss of the Company is included in the consolidated federal income tax return of PPE. The Company provides for income taxes by applying the respective state and federal statutory rates to the results of operations. The corresponding liability or receivable is credited or charged to PPE. Deferred income tax assets and liabilities for temporary differences between the carrying amounts for financial reporting and income tax purposes, if any, are accounted for by PPE.

Casino Reinvestment Development Authority

The New Jersey Casino Control Act provides, among other things, for an assessment of licensees equal to 1.25% of their gross gaming revenues in lieu of an investment alternative tax equal to 2.5% of gross gaming revenues. The Company has satisfied this investment obligation by investing in qualified eligible direct investments, by making qualified contributions or by depositing funds with the Casino Reinvestment Development Authority (the "CRDA"). Funds deposited with the CRDA may be used to purchase bonds designated by the CRDA or, under certain circumstances, may be donated to the CRDA in exchange for credits against future CRDA investment obligations. CRDA bonds have terms up to fifty years and bear interest at below market rates. The Company records a charge to reflect the estimated realizable value of its CRDA investments.

New Accounting Standard

Statement of Financial Accounting Standard No. 133, "Accounting for Derivative Instruments and Hedging Activities" ("SFAS 133"), is effective for all fiscal years beginning after June 15, 2000. SFAS 133, as amended, establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts and for hedging activities. Under SFAS 133, certain contracts that were not formerly considered derivatives may now meet the definition of a derivative. The Company adopted SFAS 133 January 1, 2001. The adoption of SFAS 133 did not have a significant impact on the financial position, results of operations, or cash flows of the Company.

BALLY'S PARK PLACE, INC. (Bally's Atlantic City)
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(All dollar amounts in thousands)

NOTE 2 – RECEIVABLES AND PATRONS' CHECKS

Receivables and patrons' checks as of September 30 consist of the following:

	<u>2001</u>	<u>2000</u>
Casino receivables (net of allowance for doubtful accounts – \$7,652 in 2001 and \$5,074 in 2000)	\$ 7,564	\$ 8,857
Other (net of allowance for doubtful accounts – \$65 in 2001 and 2000)	4,312	5,368
Due from PPE	44,663	24,182
Due from Caesars Atlantic City	14,221	4,300
Due from Atlantic City Country Club, Inc.	15,030	14,288
Due from affiliates	<u>3,668</u>	<u>2,637</u>
	<u>\$ 89,458</u>	<u>\$ 59,632</u>

NOTE 3 - INVESTMENTS, ADVANCES AND RECEIVABLES

Investments, advances and receivables as of September 30 consist of the following:

	<u>2001</u>	<u>2000</u>
Investment in wholly owned subsidiaries:		
Atlantic City Country Club, Inc.	\$ 17,025	\$ 18,048
Bally's Park Place Realty Company	15,625	15,625
B.W. Realty, Inc.	5,350	5,265
Bally Warwick, Inc.	4,166	4,166
Bally's Land Ventures Realty, Inc.	14,342	6,820
Bally's Skyscraper, Inc.	34,864	-
GNOC, Corp.	<u>53,443</u>	<u>45,282</u>
Total investment in subsidiaries	144,815	95,206
Casino Reinvestment Development Authority		
Investment obligations (less valuation reserves of \$12,465 in 2001 and \$10,779 in 2000)	27,762	24,641
Jacobs Family Terrace mortgage receivable (less reserve of \$250 in 2001 and 2000)	1,534	1,828
Long-term receivable from GNOC, Corp.	<u>868</u>	<u>1,386</u>
	<u>\$174,979</u>	<u>\$123,061</u>

The Company, GNOC, Corp. and the CRDA entered into a credit exchange agreement and an investment agreement in 1998. The credit exchange agreement permits the exchange of certain current and future CRDA obligations between the Company and GNOC, Corp. resulting in the long-term receivable from GNOC, Corp. The investment agreement provides an investment plan for use of certain current and future CRDA funds.

BALLY'S PARK PLACE, INC. (Bally's Atlantic City)
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(All dollar amounts in thousands)

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment as of September 30 consist of the following:

	<u>2001</u>	<u>2000</u>
Land	\$ 79,492	\$ 79,492
Buildings and improvements	746,554	740,081
Furniture, fixtures and equipment	235,896	220,924
Construction in progress	<u>2,345</u>	<u>4,752</u>
	1,064,287	1,045,249
Less accumulated depreciation and amortization	<u>(520,674)</u>	<u>(486,770)</u>
	<u>\$ 543,613</u>	<u>\$ 558,479</u>

NOTE 5 - OTHER ACCRUED EXPENSES

Other accrued expenses as of September 30 consist of the following:

	<u>2001</u>	<u>2000</u>
Accrued payroll and benefits	\$ 14,185	\$ 14,955
Insurance claims	4,768	5,156
Other	<u>8,640</u>	<u>14,719</u>
	<u>\$ 27,593</u>	<u>\$ 34,830</u>

NOTE 6 - OTHER CURRENT LIABILITIES

Other current liabilities as of September 30 consist of the following:

	<u>2001</u>	<u>2000</u>
Chip and token liability	\$ 1,092	\$ 1,861
Due to affiliates	6,465	4,784
Other	<u>602</u>	<u>905</u>
	<u>\$ 8,159</u>	<u>\$ 7,550</u>

BALLY'S PARK PLACE, INC. (Bally's Atlantic City)
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(All dollar amounts in thousands)

NOTE 7 - LONG-TERM DEBT-DUE TO AFFILIATES AND OTHER

Long-term debt-due to affiliates and other as of September 30 consist of the following:

	<u>2001</u>	<u>2000</u>
Long-term debt due to affiliates:		
8.5% Note payable to Park Place Finance Corporation ("PPFC") due May 31, 2011	\$ 33,500	\$ -
8.5% Note payable to PPFC due January 1, 2009	<u>500,000</u>	<u>500,000</u>
	<u>\$ 533,500</u>	<u>\$ 500,000</u>
Long-term debt-other:		
Other secured and unsecured debt	<u>\$ 1,843</u>	<u>\$ 1,906</u>

In January 1999, the Company executed a \$500,000 note payable to PPE with interest at a rate of 8.5% per annum, payable on the last business day of each quarter. On July 1, 2000, PPE assigned the \$500,000 note to PPFC. On June 1, 2001 the Company executed a \$33,500 note payable to PPFC with interest at a rate of 8.5% per annum, payable on the last business day of each quarter. The proceeds were invested in BSI.

NOTE 8 - OTHER LIABILITIES

Other liabilities as of September 30 consist of the following:

	<u>2001</u>	<u>2000</u>
Retirement and other employee benefit plans	\$ 1,588	\$ 20,291
Other	<u>492</u>	<u>448</u>
	<u>\$ 2,080</u>	<u>\$ 20,739</u>

NOTE 9 - CHARGES FROM AFFILIATES-MANAGEMENT FEE

The Company and PPE have entered into an administrative services and management agreement. Under the agreement, PPE provides certain services to the Company in the conduct of its business including, but not limited to operations, marketing, banking, accounting, insurance, tax, regulatory and public company reporting, human resource and benefit administration and other administrative functions. In consideration of the performance of these duties, the Company pays PPE a monthly management fee, equal to three percent of revenues (net of complimentary services).

BALLY'S PARK PLACE, INC. (Bally's Atlantic City)
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(All dollar amounts in thousands)

NOTE 10 - NONOPERATING INCOME (EXPENSE) - NET

Nonoperating income (expense) for the three months ended September 30 consist of the following:

	<u>2001</u>	<u>2000</u>
Interest income	\$ 288	\$ 341
Gain (loss) on sale of assets	54	-
Equity in income (loss) of unconsolidated subsidiaries	7,022	5,897
Other	<u>236</u>	<u>200</u>
	<u>\$ 7,600</u>	<u>\$ 6,438</u>

Nonoperating income (expense) for the nine months ended September 30 consist of the following:

	<u>2001</u>	<u>2000</u>
Interest income	\$ 989	\$ 998
Gain (loss) on sale of assets	29	62
Equity in income (loss) of unconsolidated subsidiaries	10,606	11,833
Other	<u>658</u>	<u>601</u>
	<u>\$ 12,282</u>	<u>\$ 13,494</u>

STATEMENT OF CONFORMITY, ACCURACY AND COMPLIANCE

1. I have examined this Quarterly Report.
2. All the information contained in this Quarterly Report has been prepared in conformity with the Casino Control Commission's Quarterly Report Instructions and Uniform Chart of Accounts.
3. To the best of my knowledge and belief, the information contained in this report is accurate.
4. To the best of my knowledge and belief, except for the deficiencies noted below, the licensee submitting this Quarterly Report has remained in compliance with the financial stability regulations contained in N.J.A.C. 19:43-4.2(b)1-5 during the quarter.


Signature

Vice President/Chief Financial Officer
Title

#7438-11
License Number

On Behalf Of:
Bally's Park Place, Inc. NJ
Casino Licensee